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COMMITTEE ON FINANCIAL SERVICES

COMMITTEE ON SCIENCE,
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Congress of the United States
House of Representatives
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June 7, 2019

Honorable Richard Neal
Chairman, Committee on
Ways and Means
Capitol Building H-208
Washington, DC, 20515

Honorable Kevin Brady
Ranking Member, Committee on
Ways and Means
1011 Longworth HOB
Washington, DC, 20515

Honorable Bobby Scott
Chairman, Committee on
Education and Labor
2176 Rayburn HOB
Washington, DC, 20515

Honorable Virginia Foxx
Ranking Member, Committee on
Education and Labor
2462 Rayburn HOB
Washington, DC, 20515

Dear Chairman Neal, Chairman Scott, Ranking Member Brady, & Ranking Member Foxx,

As you know, our country is on the verge of a multiemployer pension crisis driven by the pending insolvencies of several systemically important plans, and of the Pension Benefit Guaranty Corporation (PBGC) itself. Both the Central States Pension Fund and the PBGC's multiemployer program are projected to become insolvent in 2025. In the 16th District of Ohio alone, 4,128 hardworking employees and retirees in the Central States plan will experience pension cuts of over 90 percent if no action is taken, and at least 49 employers will be affected if Congress does not take responsible action.

Workers and retirees in critical and declining status plans, who spent their entire lives working towards the promise of a secure retirement provided by their pension, are rightfully concerned about the threat of receiving only a negligible portion of their expected benefits. Similarly, businesses large and small in these plans are finding it more difficult to retain and hire employees and to access credit markets due to their withdrawal liability. And finally, taxpayers should be concerned that Congress might end up spending even more of their hard-earned money if we wait until 2025 rather than address the crisis now in a balanced, bipartisan manner.

Plan participants, businesses contributing to declining multiemployer pension plans, and ordinary taxpayers throughout Northeast Ohio deserve better. They deserve a Congress that will find a bipartisan solution that can pass both the House of Representatives, the United States Senate, and be signed into law.

To achieve a bipartisan solution that can become law, I believe that federal involvement in addressing the immediate crisis facing these retirees, active employees, and business owners – who have spent years following the rules Congress set for them – is necessary. Additionally, to ensure a permanent solution, meaningful reforms to the rules governing multiemployer pension plans are needed.

Unfortunately, to date, Congress has failed to coalesce around a lasting, truly bipartisan solution. While the Joint Select Committee on Solvency of Multiemployer Pension Plans worked in good faith and made significant

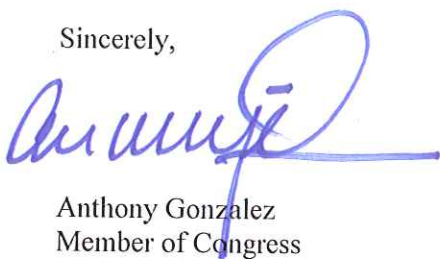
progress towards a bipartisan proposal during the 115th Congress, the Joint Select Committee was unable to reach an agreement. That does not mean that Congress should abandon these efforts.

I applaud each of you for your work already this year in facilitating hearings on a variety of key issues facing multiemployer pension plans. These hearings, in addition to those the Joint Select Committee convened in 2018, made clear the costs of inaction on a national scale.

To build on these hearings and previous important work, I ask for the Ways & Means Committee and the Education & Labor Committee to hold hearings focusing on potential legislative options as well to both address the immediate crisis facing declining status pension plans and the PBGC multiemployer program, and put in place long-term reforms to ensure the integrity of the system.

Thank you very much for your attention to this important issue. I look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony Gonzalez", with a stylized flourish extending from the end.

Anthony Gonzalez
Member of Congress